DIRECT TESTIMONY OF
PAUL V. FANT
ON BEHALF OF
SOUTH CAROLINA PIPELINE CORPORATION
DOCKET NO. 2004-6-G

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Paul V. Fant, and my business address is 105 New Way Road, Columbia, South Carolina, 29224. I am Executive Vice President for Operations for South Carolina Pipeline Corporation ("SCPC" or "Company").

Q. PLEASE DESCRIBE YOUR EDUCATION AND BUSINESS EXPERIENCE.

A. I have a Bachelor of Science Degree in Electrical Engineering from North Carolina State University. After graduating from college in 1975, Duke Power Company hired me as a Junior Engineer. In 1979, I joined South Carolina Electric & Gas Company ("SCE&G") and held various positions at the V.C. Summer Nuclear Station over the next six years.

In 1985, I became SCE&G's Manager of Customer Services for the Metro Columbia Area and, from 1986 to 1992, I was General Manager of Customer Relations for the Metro Charleston Area. In 1992, I became Executive Assistant to the Senior Vice President of SCE&G's Retail Electric Group and in 1996, I became General Manager of Support Services and Transit/Fleet Operations. Later in 1996, I was named Vice President, Support Services, for SCE&G. In February 1998, I assumed my present position as Executive Vice President for Operations for SCPC.

Q. WHAT ARE YOUR DUTIES WITH SCPC?

A. As Executive Vice President for Operations for SCPC, my corporate responsibilities include oversight of the operation of SCPC's intrastate natural gas transmission system, including maintenance and construction projects. Additionally, I am also responsible for the overall reliability of the system, which includes ensuring that the system is capable of providing safe and reliable service for our customers.

Q. WHAT IS THE PURPOSE OF THIS PURCHASED GAS ADJUSTMENT ("PGA") PROCEEDING?

A. By Order No. 87-1112, dated October 5, 1987, the Public Service Commission of South Carolina ("Commission") instituted an annual PGA review of SCPC's gas purchasing polices and practices. These PGA reviews are conducted to determine the prudence of SCPC's gas purchasing policies and practices during the previous year or period under review and to determine if SCPC properly applied its tariff in recovering its gas costs. It should be noted that in every PGA review, the Commission has found that SCPC's gas purchasing policies and practices were prudent and that gas costs were properly recovered under its tariff in accordance with the Commission's directives.

In this PGA proceeding, the Commission will hear from personnel who implement SCPC's gas purchasing practices and policies and who address tariff issues on a day-to-day basis. Michael P. Wingo, General Manager of Gas Supply & Capacity Management, will discuss SCPC's gas purchasing practices, gas

supply and capacity, including interstate storage. SCPC's Vice President of Customer Relations and Market Development, Samuel L. Dozier, will discuss SCPC's customers' needs as well as the Industrial Sales Program Rider ("ISP-R"). John S. Beier, Gas Analyst, will discuss SCPC's hedging program, and Thomas R. Conard, SCPC's Assistant Controller, will discuss gas cost recovery.

Q. DOES THE COMPANY TYPICALLY PROVIDE THE COMMISSION WITH THE AMOUNT OF HISTORY AND BACKGROUND INFORMATION THAT IS CONTAINED IN THIS PGA PROCEEDING?

A. No. In a typical PGA proceeding SCPC only presents testimony and exhibits strictly related to its gas purchasing policies and practices for the period under review. However, because a majority of this Commission is comprised of newly-elected commissioners who have not had the opportunity to preside over a PGA proceeding involving SCPC, the Company's witnesses will provide the Commission with important background information related to SCPC in an effort to assist the Commission with its review and understanding of SCPC's gas purchasing policies and practices. Moreover, SCPC provides the additional information in this PGA proceeding to give the Commission a historical foundation of how SCPC operates and fulfills its public responsibilities.

Q. PLEASE DESCRIBE THE PURPOSE OF YOUR TESTIMONY.

A. The purpose of my testimony is to provide the Commission with a historical perspective of the development and regulation of the natural gas industry in the United States and South Carolina. Additionally, I provide the Commission

with an overview of the development of SCPC and its natural gas transmission system. Furthermore, I describe SCPC's system from an operating standpoint and discuss the principal facilities that comprise the system, including the capacity of the system for serving SCPC's customers. Finally, I address the construction projects the Company has completed over the last several years, which have increased the capacity, reliability, and operating flexibility of SCPC's system.

Q. PLEASE DESCRIBE NATURAL GAS AND EXPLAIN ITS HISTORY AS A FUEL SOURCE.

A. Natural gas is colorless, shapeless, and, in its pure form, odorless. Natural gas primarily consists of a chemical known as methane (CH_4), which is a simple compound that has a carbon atom surrounded by four hydrogen atoms. Because methane is highly flammable and burns almost completely, there is no ash and very little air pollution.

For centuries, man has known about natural gas, but its use was localized because of the inability to capture, store, and transport the gaseous material. Then in 1821, William Hart drilled the first domestic natural gas well in Fredonia, New York, which was only twenty-seven (27) feet deep. By comparison, today's natural gas wells are often over thirty thousand (30,000) feet deep. Other entrepreneurs expanded upon Hart's work, which led to the creation of the Fredonia Gas Light Company, America's first natural gas company. By 1900, nineteen (19) states had discovered reserves of natural gas, and today natural gas is the preferred choice of fuel for industry.

Q. HAS NATURAL GAS ALWAYS BEEN THE PREFERRED CHOICE OF FUEL FOR INDUSTRY?

A. No. While natural gas is the preferred choice of fuel for industry today, this has not always been the case. Prior to 1945, no efficient system existed to adequately transport natural gas. As a result, many industries could not employ natural gas as a fuel source because natural gas simply could not be delivered to their plants in sufficient quantities and at reasonable prices. Because there was no infrastructure in place to transport the gas, natural gas upon discovery was usually allowed to vent into the atmosphere or simply left undisturbed in the ground.

It was not until 1945 that the natural gas industry experienced any significant growth. With the construction and expansion of reliable and safe natural gas pipelines throughout the United States, natural gas suppliers acquired the capability of transporting large quantities of gas over great distances at less cost. As natural gas became more readily accessible and affordably priced and because it was environmentally friendly, as compared to other sources of fuel, natural gas eventually became the preferred choice of fuel for industry.

Q. PRIOR TO 1945, WHAT WAS THE PREFERRED CHOICE OF FUEL FOR INDUSTRY?

A. Prior to 1945, the preferred choice of fuel for industry was manufactured gas. Manufactured gas, however, should not be confused with natural gas; the two are separate, distinct sources of fuel. Natural gas is a fossil fuel whereas manufactured gas is a man-made product, which is produced primarily from coal.

Q. BRIEFLY EXPLAIN HOW MANUFACTURED GAS IS CREATED.

A. Manufactured gas was one of the great industrial enterprises of the 19th century. Manufactured gas is created primarily from coal, coal and oil mixtures, or from petroleum, and there were three processes by which manufactured gas was created; (i) coal carbonization, (ii) the carburette water gas process, and (iii) the oil gas process, all of which were conducted in a manufactured gas plant.

Q. WHAT LED TO THE DECLINE OF THE MANUFACTURED GAS INDUSTRY?

There were a number of reasons that led to the decline of the manufactured gas industry; however, the primary reason was the construction and expansion of natural gas pipelines. As I stated above, prior to 1945, there was no adequate infrastructure in place to transport natural gas. Today, however, the transportation of natural gas is no longer an issue because reliable and safe pipelines have been constructed for the sole purpose of delivering natural gas to consumers, businesses, industries, and homes.

Q. BRIEFLY EXPLAIN HOW NATURAL GAS REACHES A CONSUMER?

A. Natural gas is extracted from wells drilled in gas producing basins. Once a well produces marketable quantities of natural gas, the gas is gathered and transported to a gas processing plant. At the gas processing plant, the gas is measured, cleaned of impurities and water, and made available for sale or transport. The gas is then injected into a pipeline and transported to a major

delivery point, typically a local gas distribution company ("LDC"). The LDC then transports and delivers the natural gas to its consumers' premises and businesses.

Q. HOW IS NATURAL GAS TRANSPORTED THROUGHOUT THE STATE OF SOUTH CAROLINA?

A. SCPC owns and operates a high-pressure intrastate pipeline system that transports natural gas throughout the state. Because there are no known natural gas basins located within South Carolina and therefore no producing gas wells, SCPC relies primarily upon two (2) interstate pipelines to provide natural gas to the state of South Carolina. It is important to note that SCPC's ability to obtain natural gas from two (2) interstate pipelines further compliments SCPC's reliable supply of natural gas.

Q. WHICH INTERSTATE PIPELINES DOES SCPC PRIMARILY RELY UPON FOR ITS SUPPLY OF NATURAL GAS?

A. SCPC relies primarily on Southern Natural Gas Pipeline ("Southern") and Transcontinental Pipeline ("Transco") for its supplies of natural gas. Southern is an interstate pipeline that stretches across seven states. In 1950, it terminated one of its pipelines at Aiken, South Carolina, which became a major interconnection point for SCPC's predecessor in interest. As illustrated by Exhibit ___ (PVF-1), SCPC's primary interconnection point with Southern is at Aiken.

Transco, on the other hand, stretches from Texas to New York, passes through the northwest quadrant of South Carolina, and is the nation's largest volume natural gas pipeline system. As illustrated by Exhibit ___ (PVF-2),

SCPC's primary interconnection point with Transco is at Grover. Exhibit ___ (PVF-3) illustrates a combined view of Southern's pipelines and Transco's pipelines.

Q. PLEASE PROVIDE THE COMMISSION WITH A BRIEF HISTORY OF SCPC.

A. In 1952, SCE&G formed South Carolina Natural Gas ("SCNG"). As illustrated by Exhibit ____ (PVF-4), SCNG was an intrastate gas transmission system that interconnected with Southern's terminal at Aiken and transported natural gas to its commercial and residential customers in South Carolina. In 1954, SCNG began providing natural gas service to Charleston and Columbia, and by the early 1960s, SCNG had constructed over four hundred (400) miles of pipeline. SCNG was eventually absorbed by SCE&G in 1967.

During the time that SCNG was constructing its gas transmission system, another company, Carolina Pipeline Co. ("Carolina Pipeline"), was constructing its own natural gas intrastate pipeline. As illustrated by Exhibit ___ (PVF-5), Carolina Pipeline was a gas transmission system that interconnected with Transco's pipeline terminal in Cherokee County and transported natural gas to its industrial, commercial, and residential customers in the northern portion of the State. Carolina Pipeline's natural gas pipeline stretched for three hundred thirty (330) miles from Cherokee County to Florence and Dillon Counties. In 1976, a holding company, Carolina Energies, Inc. ("CEI"), was formed, and Carolina

Pipeline became CEI's transmission subsidiary. In 1982, SCE&G acquired CEI, and in 1984, the gas transmission systems of SCE&G and CEI were integrated.

In 1985, SCPC, a wholly-owned subsidiary of SCANA Corporation ("SCANA"), was created as part of a Commission-approved reorganization of SCANA to manage SCE&G's natural gas transmission systems. At that time, all of SCE&G's gas transmission facilities, along with the direct industrial customers served by those facilities, were transferred to SCPC. Over time, SCPC has expanded its gas transmission system to meet the needs of South Carolina and its citizens. Today, as illustrated by Exhibit ____ (PVF-6), SCPC's gas transmission system consists of more than two thousand (2,000) miles of high pressure natural gas pipeline. In addition, SCPC's system provides safe, reliable, and economical service either directly or indirectly to forty-five (45) of the state's forty-six (46) counties.

Q. PLEASE DISCUSS THE HISTORY OF SCPC'S REGULATION BY THE COMMISSION.

A. The Commission's regulation of SCPC over the years has been tailored to address the two very distinct markets that SCPC serves: (i) sale for resale customers and (ii) industrial customers, both of which will be discussed by Mr. Dozier in his direct testimony. The sale for resale customers operate distribution systems that primarily serve residential and commercial customers who require firm service and whose needs are greatest on the coldest days of the year when use of the system's capacity is maximized. Because residential and commercial

customers do not have alternative fuel capabilities similar to SCPC's industrial customers, they cannot swing on and off the system in response to competitive pressures similar to an industrial customer. As a result, the rates for SCPC's sale for resale customers are fixed by the Commission.

The industrial market is very different from the sale for resale market in that the industrial energy market is not a captive market. From the beginning of operations in the 1950s, SCPC has sold natural gas to industrial customers in competition with other fuels, which include coal, propane, fuel oil, and wood chips, to name a few. As a result of the restructuring of the interstate pipelines by the Federal Energy Regulatory Commission ("FERC") in the early 1990s, SCPC now faces gas-to-gas price competition. Since the prices of these competitive fuels are not regulated, SCPC's ability to retain industrial customers and make sales in this market depends entirely on its ability to meet changing competitive prices. The risk that a large segment of this market will be lost due to competitive pressure is always present.

As will be discussed by Mr. Dozier in his direct testimony, the Commission has allowed the rates of direct industrial customers to be set through negotiation in response to the competitiveness of the industrial fuels market. Moreover, the Commission has established maximum markups ("rate caps") on industrial contracts based on the customer's end use or curtailment priority.

Q. HOW DOES SCPC PROVIDE NATURAL GAS TO ITS CUSTOMERS?

A. As will be discussed in greater detail by Mr. Wingo, SCPC is responsible for obtaining a reliable supply of natural gas for its gas transmission system. SCPC purchases the gas commodity from producers and marketers and contracts for capacity on Transco and Southern's pipelines to move the physical supply of natural gas from the production sources to SCPC's system. SCPC also has two (2) liquefied natural gas facilities on its system, which are used primarily as a mechanism to help meet peak loads on the system and as a backup supply of gas in emergency situations.

In order to provide safe, reliable, and economical natural gas service to South Carolina, SCPC's management continually analyzes and considers the supply and interstate capacity aspects of its business on an on-going basis. All of the variables related to the growth of South Carolina and the demand on SCPC's system must be balanced with corresponding supply and capacity needs.

Q. WHY IS SCPC'S BUSINESS IMPORTANT TO SOUTH CAROLINA?

A. Natural gas has contributed significantly to the positive economic development that South Carolina has experienced over the years. Since the 1950s, SCPC and its predecessors have played an important role in bringing the benefits of natural gas service across the state. During that time, SCPC put into place the infrastructure that now serves, either directly or indirectly, forty-five (45) of the state's forty-six (46) counties through more than two thousand (2,000) miles of high pressure transmission lines. To maintain positive economic growth in South

Carolina, SCPC believes that it is essential that the state's natural gas infrastructure be supported by a financially strong company and that it be prudently managed so that South Carolina customers will continue to receive and enjoy safe, reliable and efficient natural gas service.

Q. DOES SCPC'S INFRASTRUCTURE PROMOTE ECONOMIC DEVELOPMENT IN THE STATE?

A. Yes. Natural gas has contributed significantly to the positive economic development experienced by the state of South Carolina over the years, and SCPC has played an integral role in bringing the benefits of natural gas service across the state. For this economic development to continue, it is essential that SCPC be financially strong in order to construct and maintain the infrastructure necessary to provide natural gas service and that SCPC's infrastructure continue to be prudently managed so that South Carolina customers will continue to receive and enjoy safe, reliable, and efficient natural gas service.

SCPC also understands the role and necessity of the regulatory process. The goal of the regulatory process is to provide a proper balance between the interests of SCPC in remaining financially sound, so that adequate infrastructure can be maintained to meet the needs of existing customers and to provide capacity for growth, with those of the various businesses and individuals who seek natural gas service that is economical, reliable, and safe.

Q. PLEASE DESCRIBE SCPC'S SYSTEM FROM AN OPERATIONAL STANDPOINT.

A. As I testified earlier, SCPC's operates more than two thousand (2,000) miles of natural gas pipeline, and presently receives gas from interstate pipelines operated by Southern and Transco. In fact, SCPC is Southern's largest customer downstream of Atlanta. As I stated above, SCPC's principal delivery point on the Southern system is at Aiken, and the principal delivery point on the Transco system is at Grover.

Q. PLEASE DESCRIBE THE COMPRESSION FACILITIES SCPC OPERATES.

A. SCPC operates compressor stations at Aiken Southern, Aiken North, Grover, and Camden. These compressor stations use gas-powered turbines to move gas into and through SCPC's system and to raise the pressure of gas within the Company's lines. Located on these sites are a total of twenty-nine (29), 1,050 horsepower compressors. These compressors allow the Company to increase the throughput of the system, to regulate the pressure on the system, and to regulate the amount of gas stored in the system through a concept called "line pack."

Of the compressor stations now on the system, the Aiken Southern and Grover stations are the largest. The Aiken Southern station, as it exists today, was a product of the merger of Carolina Energies and SCE&G. Before the merger, the companies had three compressor stations operating independently in the South Aiken area. After the merger, SCPC consolidated the compressor stations and

physically relocated the compressors to the Aiken Southern site. Aiken Southern is one of the largest and most powerful compressor stations served by Southern, and this compressor station's capabilities are critical to meeting customer demands because of the low gas pressures that SCPC often experiences on Southern's system. The low pressure results from SCPC being the largest customer of Southern downstream of Atlanta and because SCPC is at the end of Southern's pipeline.

The consolidation of these stations, along with the establishment of a single delivery point for both systems at Aiken, has also allowed for much more flexible operation of the system. Today, SCPC accepts all of its Aiken gas at the same delivery point and can use the compression capability of the combined stations to direct Aiken gas to whichever route has the greatest need – south to Charleston, east to Columbia, northeast to Bethune, or to the Clinton – Newberry service area. This provides SCPC with great flexibility and operational control characteristics that would not have been possible had the companies continued to operate as two independent systems.

Q. WHAT LIQUIFIED NATURAL GAS ("LNG") FACILITIES DOES SCPC OPERATE?

A. SCPC operates LNG facilities at Bushy Park, South Carolina, near North Charleston, and at Salley, located in western Orangeburg County. These facilities allow SCPC to store natural gas in a liquid form and inject vaporized gas into SCPC's system when needed. The LNG facilities are used primarily as a

mechanism to help meet peak loads on the system and as a backup supply of gas in emergency situations.

As Mr. Wingo will testify to in greater detail, SCPC's management analyzes and considers the supply and interstate capacity aspects of its business on an on-going basis in order to provide safe, reliable, and economical natural gas service to South Carolina. All of the variables related to the growth of our state and the demand on SCPC's system must be balanced with corresponding supply and capacity needs.

Q. WHEN DID THE BUSHY PARK LNG FACILITY BEGIN OPERATING?

A. The Bushy Park facility began operating in 1976 to provide additional capacity to the system in general and to provide an additional source of gas supply for Charleston. Until 1984, Charleston was served by a single 10-inch pipeline from Bowman south. Over the years, however, the Bushy Park LNG facility has provided an important reliability function for the Charleston and Georgetown areas.

Q. WHAT STEPS HAS SCPC TAKEN IN RECENT YEARS TO IMPROVE ITS SYSTEM?

A. Over the years, SCPC has consistently upgraded its system by adding pipeline and compression to meet new demand and to create operating flexibility on its system. One of SCPC's long-term strategic goals has been to reduce its reliance on any one supplier and better balance its system between suppliers.

Q. PLEASE EXPLAIN THE IMPORTANCE OF BALANCED INTERSTATE CAPACITY.

A. Historically, the two systems that were merged to form SCPC relied on Southern for approximately eighty-five percent (85%) of their combined supply. The remaining approximately fifteen percent (15%) of supply came from Transco. This reliance was a function of the physical limitations of operating two independent systems, the largest of which (SCE&G) did not have high volume pipeline facilities located near the Transco system.

During the 1970s and 1980s, demand for natural gas boomed on Southern. As demand grew on Southern's system, capacity on Southern's system became much tighter and more expensive. As a result, SCPC became increasingly concerned about reliability and throughput on Southern. Because Aiken is literally at the end of Southern's system, any problems or limitations upstream on Southern's system translated into significant problems and limitations for SCPC. Creating a more balanced system has been important to the long-term reliability and economic health of our system, and to the value SCPC brings its customers.

Q. HOW HAS SCPC CREATED A MORE BALANCED SYSTEM?

A. In the late 1980s and early 1990s, SCPC was required to meet demand that was growing rapidly in the southern and central part of the system. At that time, the two options were building an LNG facility in the Aiken area or entering into long-term supply contracts with Southern. Because of the configuration of SCPC's system and the location of the load growth, it was not practical to meet the

increased demand by increasing our supply from Transco. For the reasons stated above, SCPC was also reluctant to increase its reliance on Southern.

However, the construction of a LNG facility was attractive for several reasons. Perhaps most important reason was the reliability features of LNG service. LNG service is not affected by emergencies on the Company's upstream interstate pipelines that may interrupt flowing gas deliveries. LNG can be available even when flowing gas is limited due to the effects of hurricanes in the Gulf, pipeline freeze-ups due to extreme cold weather, and other events and accidents on the upstream pipelines that serve SCPC. Having significant LNG available on SCPC's system, particularly at Salley, provided a reliability feature that was very attractive. However, LNG is a time limited resource.

The decision to build the Salley facility was also supported by considerations of long-term flexibility and strategic positioning. Choosing to build LNG facilities at Salley allowed the Company to meet demand growth on the southern and central part of its system without further increasing our dependence on Southern. It has also allowed SCPC, through displacement, to choose either Transco or Southern as the source of the additional gas for liquefaction during the summer months when SCPC refills storage.

Q. WHAT IMPROVEMENTS HAS SCPC MADE TO ITS SYSTEM SINCE THE SALLEY LNG FACILITY WAS BUILT?

A. Since the construction of Salley in 1992-93, the largest single improvement to the Company's system was the upgrade of its Grover to Bethune facilities. In 1995-97, SCPC constructed a new 16-inch high-pressure pipeline along this route (approximately 85 miles). This upgrade was coupled with the construction of a compressor station at Grover with nine (9) new compressor units. At the same time, the Company built a new 12-inch pipeline from Bethune to Florence (approximately 56 miles) to increase deliverability into the rapidly growing areas around Myrtle Beach and to support important industrial loads near Florence.

In 1998, SCPC upgraded its Aiken to Gilbert facilities by upgrading twenty-two (22) miles of older 10-inch pipeline to 16-inch high-pressure pipeline. In 2001, the Company reengineered its compressor station at Camden to increase total compression station efficiency to allow bi-directional pumping. SCPC can now use this station to move gas from the northern side of the system (Grover-Bethune) to the southern side (Aiken-Columbia) and vice versa. At the same time, SCPC upgraded the Bethune to Sumter pipeline by adding a new 16-inch high-pressure pipeline. This improvement is important because it removed a bottleneck between the Grover-Bethune side of our system and the Aiken-Columbia side.

SCPC also recently improved its system by constructing a new pipeline extending from Salley to Eastman (approximately 27 miles), which was designed primarily to serve a generation facility operated by Columbia Energy in Calhoun

County. In early 2004, SCPC further improved its system by completing construction of a new pipeline extending from Yemassee to Jasper (approximately 38 miles) thereby providing SCPC with an opportunity to receive gas from Southern's facilities in the vicinity of Savannah, Georgia and from LNG facilities at Elba Island, Georgia. As a result, the Yemassee to Jasper interconnect provides SCPC with another reliable source of gas.

Q. WHAT HAS BEEN THE EFFECT OF THESE IMPROVEMENTS ON SYSTEM OPERATIONS?

A. All these improvements have been important to meet the growing demand on SCPC's system. Moreover, these improvements have also allowed SCPC to create a better balance of supply between Southern and Transco.

Accordingly, in the last ten (10) years, the Company has attempted to create a system that has the operating flexibility to accept gas either from Southern or Transco as the situation dictates. The upgrading of the Grover delivery point on Transco, the creation of a bi-directional pumping capability at Camden, and the upgrading of the intervening pipelines between Grover and Aiken, all mean that the Company has increased flexibility to serve its needs and those of its customers from either of the two interstate pipelines. Before the merger, the Company was locked into Southern for over eighty-five percent (85%) of its natural gas supply. Now SCPC has the ability to balance supply between the two upstream interstate pipelines on most days, with sixty percent (60%) supply on Southern's system and forty percent (40%) supply on Transco's system.

Q. WHAT REQUEST DO YOU HAVE OF THE COMMISSION IN THIS PROCEEDING?

A. During the period under review, the Company has prudently managed its business operations and appropriately recovered its gas costs and purchased its gas supplies. Therefore on behalf of SCPC, I respectfully request the Commission find that SCPC has recovered its gas costs for the period under review consistent with its tariff and Commission orders and that it has purchased its gas supplies in a prudent and reasonable manner.

Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

A. Yes.

•Southern Natural expanded into Georgia and terminated its line at Aiken in 1950.

SOUTHERN NATURAL GAS PIPELINE

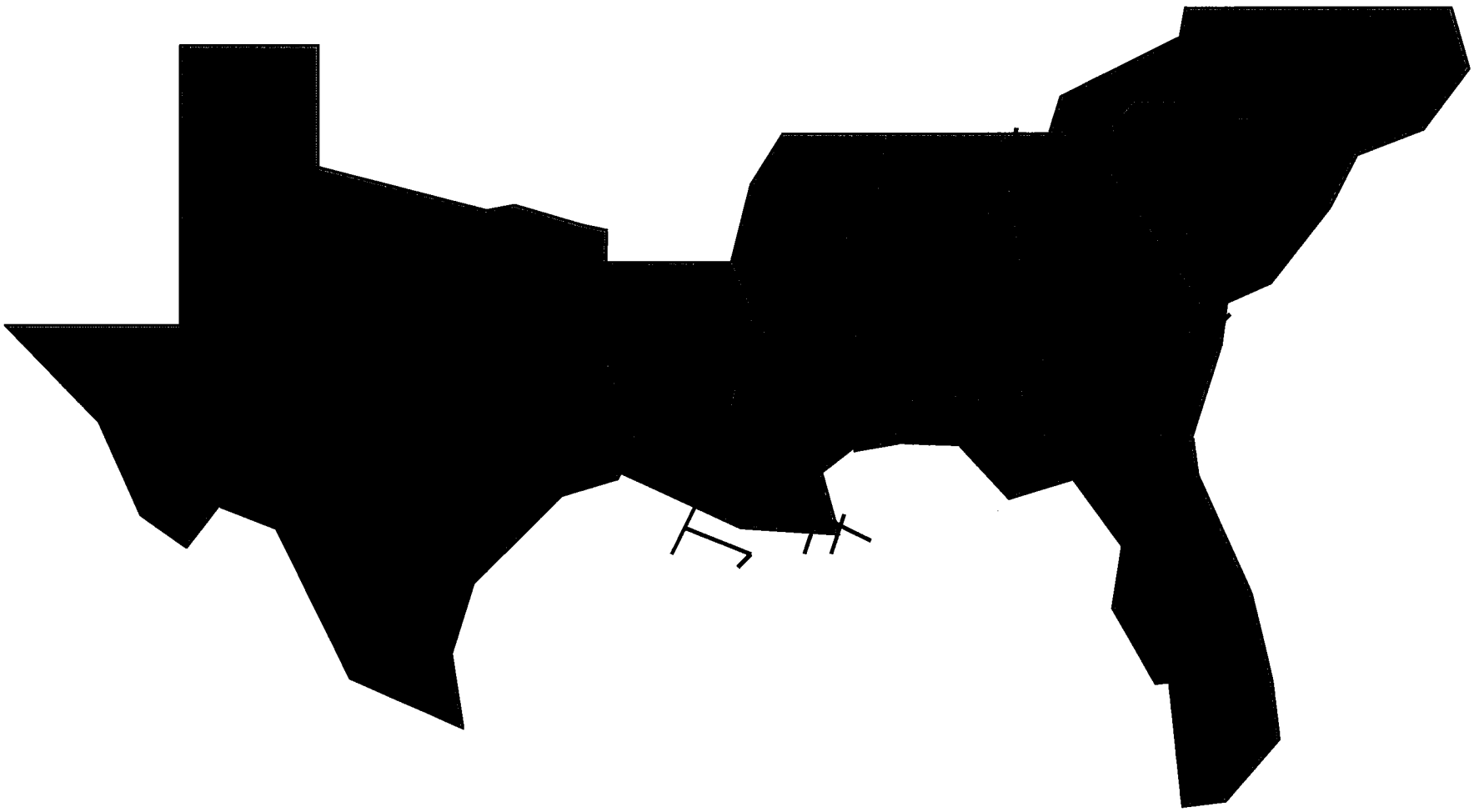


Exhibit No.____(PVF-1)

•Transco passed through South Carolina in 1951 focussing on NE industrials.

TRANSCONTINENTAL GAS PIPELINE

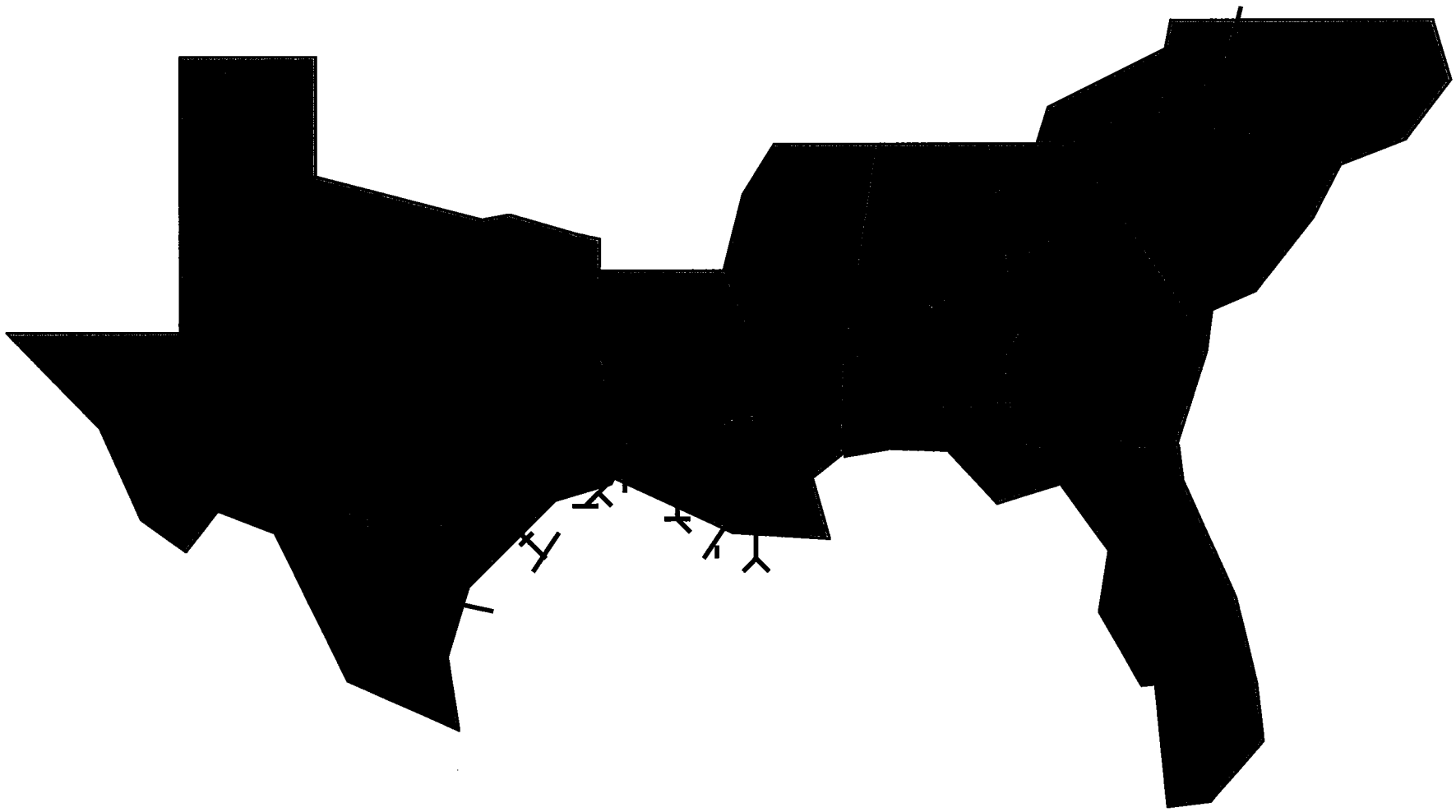


Exhibit No.____(PVF-2)

COMBINED VIEW OF
TRANSCO & SOUTHERN NATURAL

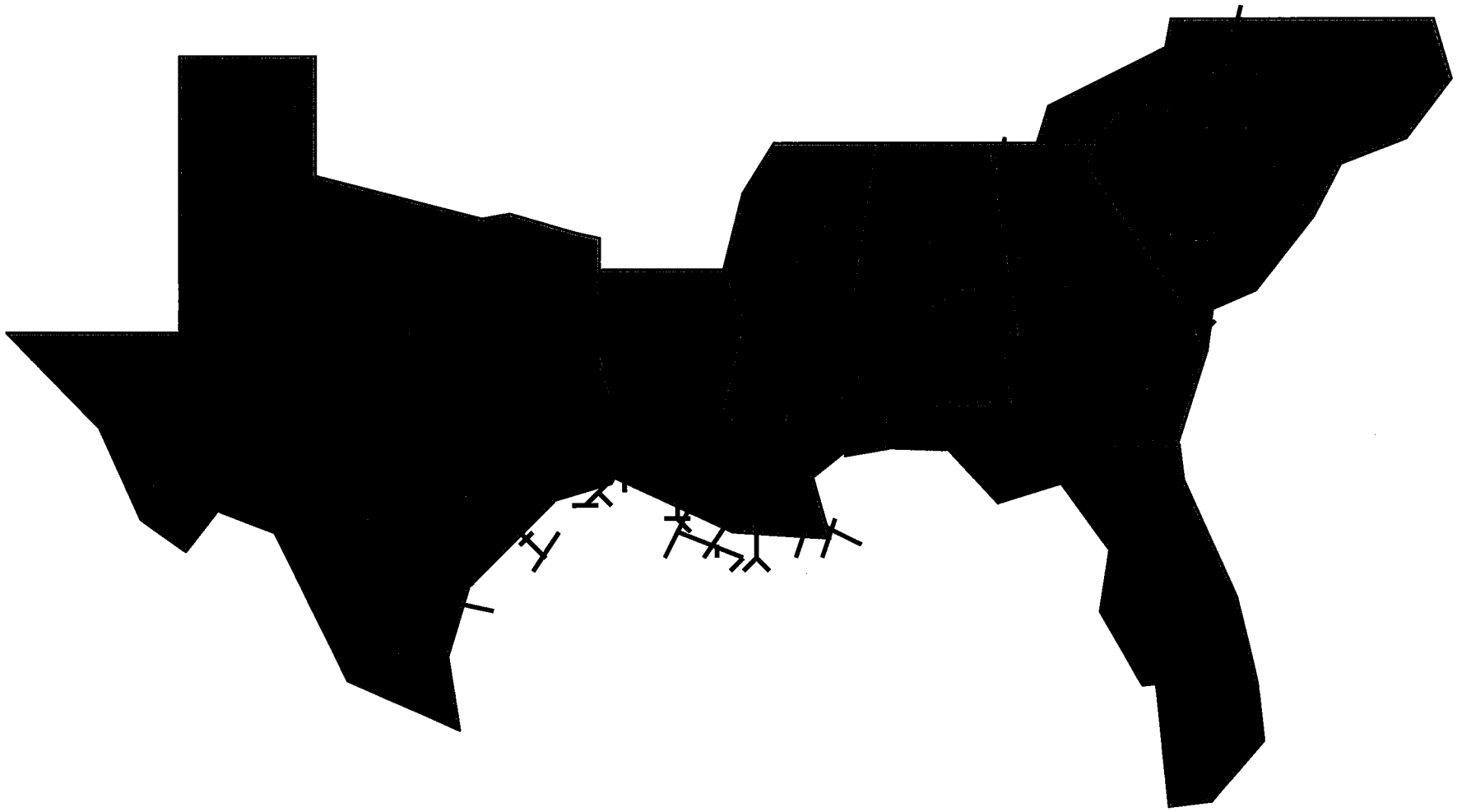
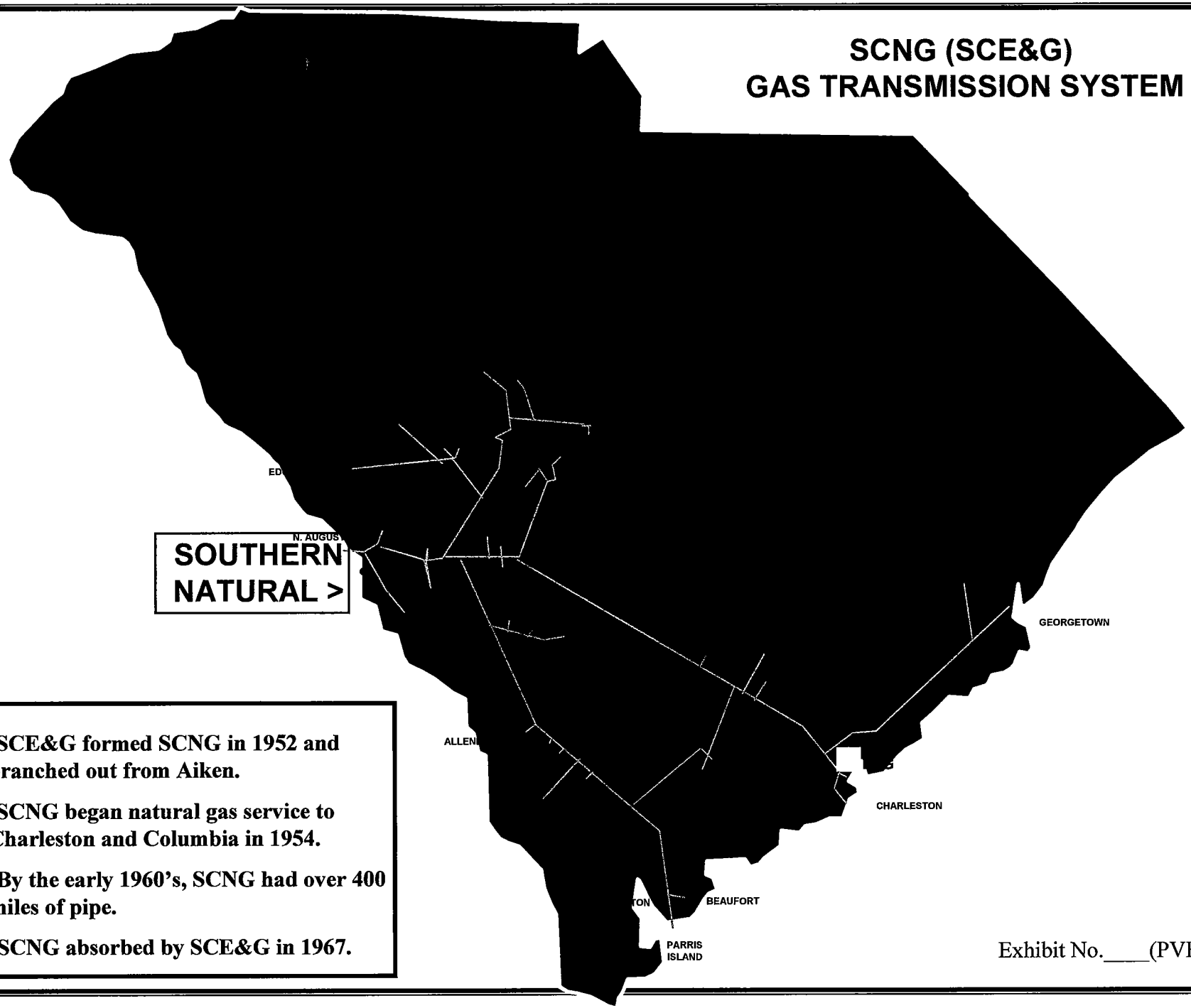


Exhibit No.____(PVF-3)

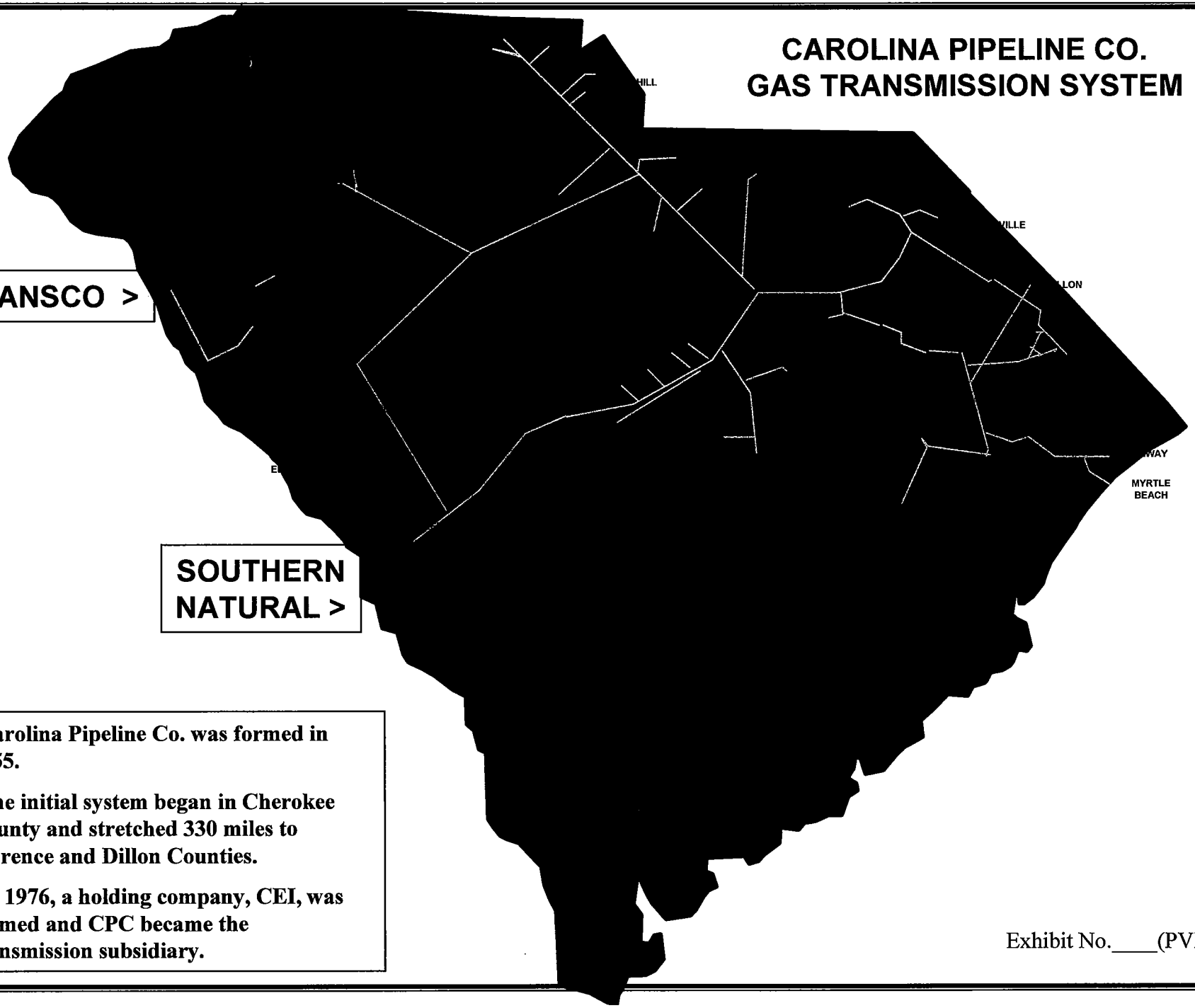
SCNG (SCE&G)
GAS TRANSMISSION SYSTEM



- **SCE&G formed SCNG in 1952 and branched out from Aiken.**
- **SCNG began natural gas service to Charleston and Columbia in 1954.**
- **By the early 1960's, SCNG had over 400 miles of pipe.**
- **SCNG absorbed by SCE&G in 1967.**

Exhibit No.____(PVF-4)

CAROLINA PIPELINE CO.
GAS TRANSMISSION SYSTEM



- **Carolina Pipeline Co. was formed in 1955.**
- **The initial system began in Cherokee County and stretched 330 miles to Florence and Dillon Counties.**
- **In 1976, a holding company, CEI, was formed and CPC became the transmission subsidiary.**

Exhibit No.____(PVF-5)

CURRENT SCPC GAS TRANSMISSION SYSTEM

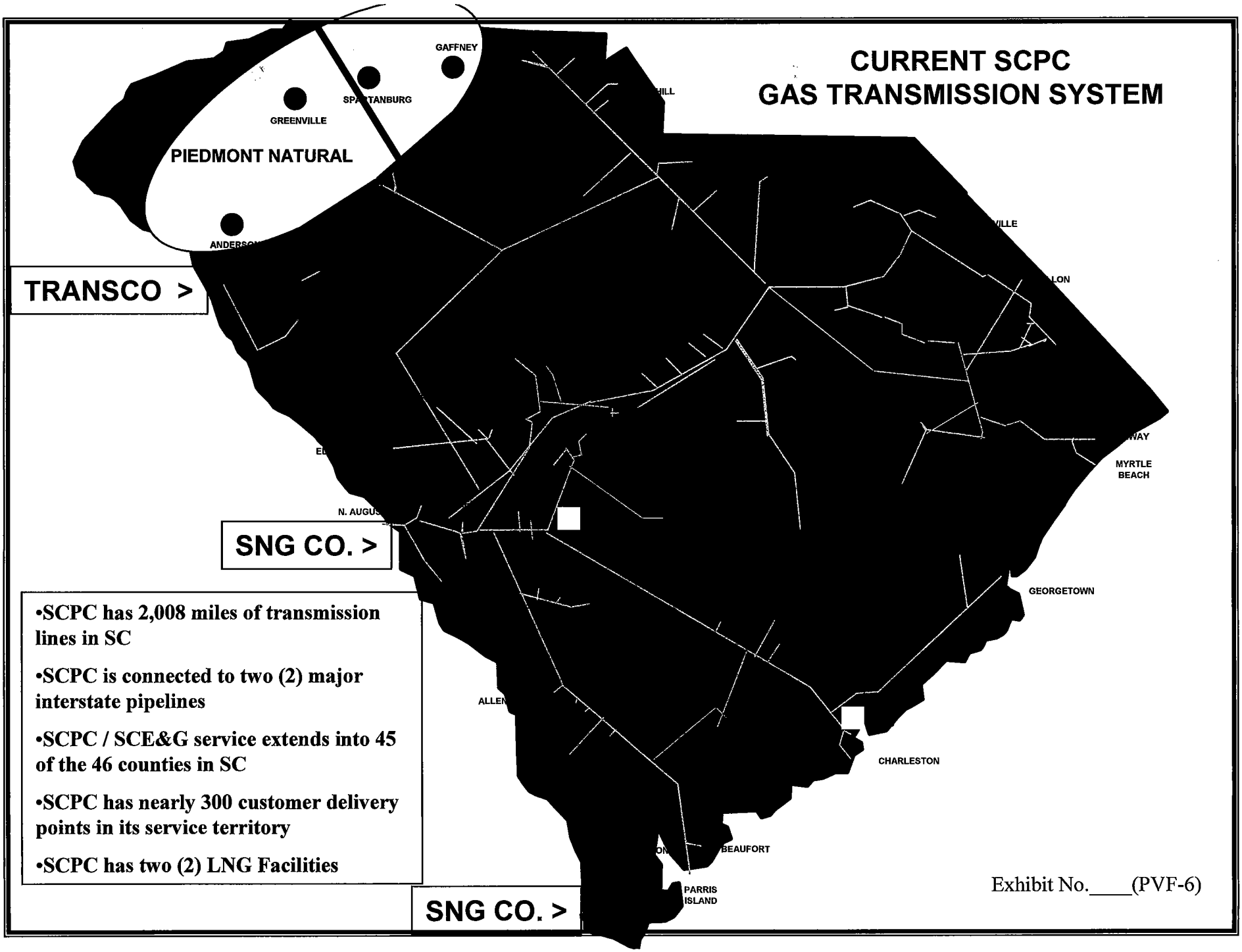


Exhibit No.____(PVF-6)